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Baldrige Creates Unit to Curb Technology Exports

By PAUL RICHTER, *Times* Staff Writer

Commerce Secretary Malcolm Baldrige said here Thursday that he has created a new enforcement arm within the department as part of a "top priority" effort to stem the increasing flow of advanced, military-application hardware to Soviet bloc nations.

The department has added enforcement agents, opened a West Coast export-control office and increased scrutiny of export applications, Baldrige said. Assistant U.S. Atty. Theodore Wu, an illegal-export expert with the Justice Department's Los Angeles office, was nominated this month to head the unit in the newly created position of deputy assistant secretary for export enforcement.

"We have the systems to prevent the transfer of high technology products," he said in remarks to the Foreign Trade Assn. of Southern California, meeting at the Los Angeles Bonaventure hotel. "But the systems are out of date, and the problem keeps getting more serious."

Shifts the Blame

Baldrige's comments came two weeks after a Senate subcommittee released a report condemning the department's compliance division as poorly equipped and run by investigators who in some instances are "untrained and underqualified."

Baldrige acknowledged that the agency's efforts have not been adequate during his tenure, but tried to shift most blame from the Reagan Administration.

"Most of the examples (of export-control violations) in that subcommittee report came during the previous Administration," he said in an interview after his speech.

Baldrige's tough position on the export of sensitive high-technology goods seems a departure from the stance of previous Commerce secretaries, who have often acted as free-trade advocates in intra-governmental debates on trade policy.

In his remarks to the trade group, he said, "Some people whose interests are primarily commercial don't always appreciate the longer-term consequences of the export of criti-

cal technologies to our national security."

Baldrige declined to provide specifics of how many agents and how much additional money will be needed to control the problem.

The congressional report, issued by the permanent investigations subcommittee of the Senate Governmental Affairs Committee, said the department has six export-control inspectors. They include five at John F. Kennedy International Airport in New York and a sixth in Washington, D.C.

Area of Sensitivity

The subcommittee report recommended that the export-control functions be taken from Commerce's Office of Export Administration and be consolidated with the enforcement of other export laws within the Customs Service. Baldrige said much of the enforcement burden must be carried by U.S. businessmen who handle the U.S.-made computers, lasers and electronic components that can be put to military uses.

He said businessmen should be as sensitive to potential violations of export-control laws as they are to violations of antitrust or foreign corrupt-practices laws.

However, he stopped short of calling for a stiffening of the fines or jail terms for businessmen who violate the laws.

"The problem has just increased in the fairly recent past," he said. "We don't have enough experience to know whether the penalties are adequate."

In a separate development, the undersecretary of commerce for international trade said the department has no present plans to bring suit against Japanese electronics manufacturers for dumping components in the United States.

In an interview, Undersecretary Lionel Olmer said that while several U.S. electronics companies have charged that Japanese firms have exported chips at below-cost prices to gain market share, "nobody's been willing to put that down on a paper that they would sign."

"Failing that, the department is not willing to self-initiate a dumping suit," he said.

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